

October 9, 2011

To: Public Service Commission of South Carolina
From: David N Taylor
Subject: Duke's request for increase in retail rates.

I received your notice of meetings at different locations here in the Upstate.
But unfortunately I am unable to attend due to illness.

But I would like my letter to be submitted on record concerning Duke's request for a rate increase.

In receiving your notice, there was also included Duke's explanation for it's request. Duke stated that their reason for this rate increase was to recoup \$6.5 billion that they say was paid out for plant modernization, environment compliance and capital additions.

Please find enclosed a copy a Greenville News article concerning Duke's (buy out) (Merger) of an utility company named Progressive Energy.

Now I would like to put forth this question: "Is Duke Power's request for a rate increase, for the "company modernization, or is this rate increase to help them financially in the purchase of Progressive Energy.

The Commission should take this alternate reason, the purchase of another energy company under consideration when considering whether to allow this rate increase to proceed.

Whatever reason Duke has ask for this rate increase, one or the other or both reasons, This is not the appropriate time for an energy rate increase, during these very difficult economic times in South Carolina. South Carolina has one of the highest unemployment rates in the country. This also should be taken into consideration during this rate increase discussion.

I am requesting that the Commission vote to deny Duke's request for a rate increase in South Carolina.

Regards;

A handwritten signature in black ink, appearing to read "David N Taylor", with a long horizontal flourish extending to the right.

David N Taylor

David N Taylor
111 McCauley Road
Laurens, S.C. 29360

Duke, Progress offering price cap

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

NOTICE OF FILING AND HEARING

DOCKET NO. 2011-271-E

Emery P. Dalesio
The Associated Press

RALEIGH — Duke Energy and Progress Energy proposed last week to cap the price they charge on a limited amount of peak-time power to satisfy federal regulators worried their merger will crush competition in the Carolinas.

The Federal Energy Regulatory Commission had asked the utilities for solutions to the threat of diminished competition in North Carolina and South Carolina if their merger is allowed.

Federal regulators said remedies could include selling off power plants, building new transmission lines or giving up control of their transmission system to a regional operator.

The companies said rather than selling off any assets, they would limit profits on wholesale electricity by selling into its Carolinas markets at cost plus 10 percent for eight years.

The companies said they would limit the electricity sold at that price the excess not needed by customers up to 800 megawatt-hours in the summer and 225 megawatt-hours in the winter.

"It's a simpler approach from our standpoint. You actually offer up the energy for a fixed time period of eight years and during that time competitors could enter the market to meet that if they so chose to," Duke Energy spokesman Tom Williams said.

Federal regulators said last week they tentatively approved Duke Energy's buyout of Progress Energy.

But changes were required under the threat that the combination "will increase already excessive levels of market concentration."

DUKE ENERGY CAROLINAS, LLC – Application for Authority to Adjust and Increase any's Electric Rates and Charges

5, 2011, Duke Energy Carolinas, LLC ("Duke Energy Carolinas" or the "Company") application with the Public Service Commission of South Carolina ("Commission") authority to adjust and increase its retail electric rates, charges, and tariffs. The was filed pursuant to S.C. Code Ann. Section 58-27-820 and 58-27-870 (Supp. 26 S.C. Code Ann. Regs. 103-303 and 103-823 (Supp. 2010)).

gy Carolinas states in its Application that it has made capital investments in its electric plant modernization, environmental compliance and capital additions. Since the of the last rate case, Duke Energy Carolinas has made approximately \$6.5 billion in estments. These investments include (1) Cliffside Unit 5 Scrubber; (2) Buck Cycle Project; (3) Tornado/High Energy Line Break work at Oconee Nuclear Station T in-service investment; (4) Bridgewater Powerhouse Replacement Project; (5) Maintenance and Nuclear Fuel; (6) Transmission and Distribution Plant; (7) Other nt projects, and (8) CWIP related to Cliffside Unit 6; the Tornado/High Energy Line at Oconee Nuclear Station for the phase II investment; Dan River Combined Cycle er Nuclear, Fossil, Hydro, and Combustion Turbine; and Transmission, Distribution, General Projects. The Application also states that the current revenues are insufficient cost of operating and maintaining a safe and reliable electric system.

ation reveals, that in addition to capital investments, approximately \$9 million of the e is due to employee benefits cost increases. The request also includes \$10 million r the next three years for costs associated with the Company's Voluntary Opportunity at provided a means for individuals to voluntarily leave the Company and a of pension settlement expense. The remaining \$6 million increase in revenue s is due to post test year costs, additional financing costs and other ancillary adjustments filed in conjunction with the Company's Application.

y Carolinas requests that the proposed increases be effective on or after February 5, verall increase to rates by customer class, according to the Application, is as follows: the residential class, 11.24% for the general service class, 12.76% for the industrial % for Rate OPT, and 14.11% for the outdoor lighting class.

the Company's complete Application, as well as the proposed rates, charges and be obtained from the Commission at the following address: Public Service of South Carolina, Clerk's Office, 101 Executive Center Drive, Columbia, South